

AT A SPECIAL MEETING OF THE BOARD OF SUPERVISORS OF THE COUNTY OF MONTGOMERY, VIRGINIA HELD ON THE 2ND DAY OF AUGUST, 2010 AT 5:00 P.M. IN THE MULTI-PURPOSE ROOM, FIRST FLOOR, MONTGOMERY COUNTY GOVERNMENT CENTER, 755 ROANOKE STREET, CHRISTIANSBURG, VIRGINIA:

PRESENT:	Annette S. Perkins	-Chair
	James D. Politis	-Vice Chair
	Mary W. Biggs	-Supervisors
	William H. Brown	
	Gary D. Creed	
	Doug Marrs	
	John A. Muffo	
	F. Craig Meadows	-County Administrator
	L. Carol Edmonds	-Assistant County Administrator
	Martin M. McMahon	-County Attorney
	Steve Sandy	-Planning Director
	Ruth L. Richey	-Public Information Officer
	Vickie L. Swinney	-Secretary, Board of Supervisors
	B. Wendell Jones	-School Board Chair
	Phyllis T. Albritton	-School Board Members
	Jamie M. Bond	
	Penny J. Franklin	
	Drema B. Foster	
	Wat H. Hopkins	
	Joseph T. Ivers, Jr.	
	Brenda Blackburn	-School Superintendent
	Walter Shannon	-Assistant School Superintendent
	Brenda Drake	-Clerk, School Board

CALL TO ORDER

The Chair called the meeting to order.

INTO WORK SESSION

On a motion by Mary W. Biggs, seconded by James D. Politis and carried unanimously,

BE IT RESOLVED, The Board of Supervisors hereby enters into a joint work session with the Montgomery County School Board for the purpose of discussing the following:

1. School Capital Projects Update

The vote on the foregoing motion was as follows:

<u>AYE</u>	<u>NAY</u>
Gary D. Creed	None
William H. Brown	
James D. Politis	
Mary W. Biggs	
Doug Marrs	
John A. Muffo	
Annette S. Perkins	

School Capital Projects Update

Brenda Blackburn, School Superintendent, provided information on the School Board's Capital Plan options to the school capital needs. Ms. Blackburn reported that the capital needs options to be presented are based on the loss of the use of the Blacksburg High School (BHS). The School Board approved housing options for FY 10-11 school year and they have aggressively upgraded the Old Christiansburg Middle School for use by the Blacksburg Middle School students. The Blacksburg Middle School facility will be used by the Blacksburg High School students.

Ms. Blackburn presented the four options and possible debt repayment scenarios as follows:

Option 1:	Repair BHS	
	- Repair Building	\$ 5,714,000
	- Replace Gym	<u>\$ 8,750,000</u>
	Total	\$14,464,000
Option 2:	Build New BHS, New Auburn High School (AHS), Renovate AHS for Auburn Middle School (AMS)	
	- 1200 Student BHS	\$ 57,456,000
	- 600 Student AHS	\$ 44,554,400
	- AHS for 480 AMS	<u>\$ 22,545,600</u>
	Total	\$124,556,000

Option 3:	Build New AHS and New BHS	
-	AHS for 600 Students	\$ 44,554,400
-	BHS for 1200 Students	<u>\$ 57,456,000</u>
	Total	\$102,010,400

- Schedule to Renovate AHS for AMS

Option 4:	Build New BHS for 1200 Students	
-	Estimated Cost	\$57,456,000

Estimated Annual Debt Service:

- Borrow \$100,000,000 @ 4% for 20 years
- Annual Principal and Interest \$7,358,175
- 1 cent tax increase = \$700,000
- Estimate Impact Tax Rate = 10.5 cents

Both Boards discussed the process of testing the steel beams for structural integrity of the main building at Blacksburg High School, air quality, and if BHS was built on unstable land.

Ms. Blackburn explained that all reports from the engineering and construction experts indicate that the building can be repaired safely and be used as a school. The building will be structurally sound after repair. Ms. Blackburn also explained that an air quality test is performed on all schools.

Mr. Shannon commented on the concerns regarding the BHS being built on unstable land. Mr. Shannon stated the BHS and surrounding homes are built in an area that contain karsts and rock formation. There have been several geophysical investigations of the BHS site and none of the investigations indicate that the land is not suitable for a school site.

Cost of repairs and the cost of new high school facilities in Blacksburg and Auburn were discussed along with funding options and timelines.

Craig Meadows, County Administrator, presented information on the county debt capacity. Montgomery County has worked hard to get and maintain a high quality debt rating in order to keep interest rates low. The County has a sound financial position with strong reserves and formal fiscal policies that were put in place to help with the bond rating upgrade several years ago.

The original plan was to borrow the first initial round of bonds for Prices Fork Elementary School and Eastern Montgomery Elementary School. The next round was scheduled for 2013 or 2014 for the Auburn Strand, which is the earliest that additional debt could be issued to be within the County's fiscal guidelines.

Mr. Meadows stated he will forward a copy of the four options presented by the School Board to the County's financial advisors for review and to determine the consequences to the bond rating if the County issues more debt over the County's debt capacity.

Supervisor Perkins summarized that this meeting is a preliminary discussion for both boards. Another meeting will be scheduled once the Board of Supervisors receives financial information from their financial advisors on the County's debt capacity.

OUT OF WORK SESSION

On a motion by James D. Politis, seconded by William H. Brown and carried unanimously,

BE IT RESOLVED, The Board of Supervisors hereby ends their Work Session to return to Regular Session.

The vote on the foregoing motion was as follows:

<u>AYE</u>	<u>NAY</u>
Gary D. Creed	None
William H. Brown	
James D. Politis	
Mary W. Biggs	
Doug Marrs	
John A. Muffo	
Annette S. Perkins	

ADJOURNMENT

The Board adjourned to Tuesday, August 3, 2010 at 9:30 a.m. at the New River Community College-New River Valley Mall Facility for a Board Retreat.

The meeting adjourned at 6:42 p.m.

APPROVED: _____	ATTEST: _____
Annette S. Perkins	F. Craig Meadows
Chair, Board of Supervisors	County Administrator